

ATTACHMENT FPage 1 of 13

Attachment F

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>The current inventory of office space indicates a relatively low supply and limited opportunities to develop new Class A office, which are major negative factors for the City's economic future. The focus on Moffett Park as the primary location of new Class A office development is supported from recent private market pressures. During the late 1990s, Moffett Park was the location of choice for several high high-tech corporate headquarters and campuses (e.g. Yahoo, Juniper Networks, Network Appliance and Ariba/Interwoven).</i>	The proposed project does not result in Class A office space. As of 2001, the City was only at 3% of the target goal for Class A office space in the City.
<i>It is the goal of the City of Sunnyvale to maximize Moffett Park development with corporate headquarters, office, and research/development facilities of high technology companies which will represent the next wave of economic growth in Silicon Valley.</i>	The MPSP targets this area as higher density office space. The applicant has a point in noting that the "next wave" of economic growth may stem from small businesses which grow.
<i>Projects which do not exceed the standard FAR may typically proceed as a matter of right, with only a staff design review.</i>	In the MP-TOD area, a standard FAR of 50% is permitted, with a maximum allowed FAR of 70%.
<i>Moffett Park is an exclusively industrial oriented business park with large land parcel sizes and a separation from disparate residential and commercial land use that generally conflict with industrial uses and operations</i>	The existing site is in conformance with this criteria. The proposed project would reduce the parcel sizes on this lot, running contrary to this state goal.
<i>The land use policies of the Specific Plan are supportive of both the recent development trends in Moffett Park and the long term needs of the City of Sunnyvale. The traditional comprehensive and long term nature of the land use polices and regulatory framework of the specific plan are designed to be responsive to the needs of the marketplace throughout the 20-year planning horizon. The flexibility integrated into the land use plan is a vital part of encouraging and</i>	The MPSP was designed with the long term in mind, encouraging this part of the City to be targeted for larger businesses, which meets the long term goals of the City. However, the applicant has argued that this restriction on the property limits their ability to fully utilize the

ATTACHMENT FPage 2 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>sustaining a prosperous business climate while balancing Sunnyvale's long term need for high quality development supportive of its community character and resources</i>	property in the short term for a smaller type business, "starter" or ancillary business to larger businesses in the area.
<i>Ancillary uses that include hotels, restaurants, financial institutions, retail sales and services intended for the Moffett Park employees, professional services, and similar compatible uses are allowed and encouraged. Accessory uses for the benefit of on-site employees (e.g. recreational facilities, cafeterias) are also allowed and encouraged.</i>	The site is being proposed as supporting ancillary services.
Development Reserve <i>The primary land use tool available for implementing the vision of the Moffett Park Specific Plan of redeveloping as a high technology office and R&D area with smart growth principles is the Development Reserve</i>	The applicant has proposed using the additionally permitted FAR as part of the development reserve. However, staff has noted that the Development Reserve current has a gross excess of transferable FAR and the proposed site is better suited to utilize the potential reserve
Transfer of Development Rights <i>The Specific Plan also allows for the use of Transfer of Development Rights within the MPTOD and MP-I subdistricts. Transfer of Development Rights may permit one property to transfer potential developable square footage from one site to another site up to the maximum FAR of the underlying zoning district</i>	The applicant has proposed using the additionally permitted FAR as part of the development reserve. However, staff has noted that the Development Reserve current has a gross excess of transferable FAR and the proposed site is better suited to utilize the potential reserve
<i>The Moffett Park Specific Plan provides a comprehensive set of plans, guidelines and regulatory standards in addition to administrative and implementation programs designed to provide for high-quality industrial, Class A office, corporate headquarters, and other similar and supportive uses.</i>	Staff is concerned that the area maintains a deficit of Class A office space, which is the primary intent of the MP-TOD, and alternative developments or conversions not be

ATTACHMENT F
Page 3 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
	supported until original intent is met.
<i>The Moffett Park Specific Plan should not be considered an inflexible document. Rather, it has been developed to provide as much flexibility as allowed by State law. It should also be noted that this Specific Plan reflects a vision to be implemented over a 20 year period, and therefore, may be amended over time to reflect the City of Sunnyvale's most current vision for the area.</i>	The intent of the Specific Plan is to be achieved in 20 years. Approval this subdivision makes it less likely the existing structure will be reconstructed within the next 20 years to meet the design intent for the MP-TOD.
Planning Factor 4: <i>Since 1990, the City of Sunnyvale has received a number of Use Permit applications to increase the Floor Area Ratios (FAR) above the standards allowed under the City's Zoning Code. The significant increase in Use Permit applications reflect the demand for higher intensity Class A office development. Therefore, the City's future land use policy in Moffett Park should strive to better reflect the current development trends within the limits of potential environmental impacts.</i>	This statement supports staff's intent to encourage the applicant to use the subject site for a higher density building.
Guiding Principle 2.0: <i>Encourage and support emerging industries</i>	The intent of encouraging a Class A building on the site is to encourage adequate office space for emerging industries. Staff interprets this to reflect the current or future emergence of industries that require large buildings.
Guiding Principle 3.0: <i>Foster cooperative partnerships with businesses, property owners, and the City of Sunnyvale</i>	Staff interprets this to open the opportunity for future emergence of industries that require large buildings.
Guiding Principle 4.0: <i>Provide opportunity for strategic retention and attraction of business and private investment</i>	Staff interprets this to reflect the current or future emergence of industries that require large buildings.
Guiding Principle 7.0: <i>Enhance pedestrian accessibility</i>	A design for a higher density building can effectively

ATTACHMENT FPage 4 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
	incorporate this goal.
Specific Plan Objective CIR-2: Provide for improved pedestrian and bicyclist mobility within the Specific Plan area.	This objective is more targeted to areas surrounding the building. A design for a higher density building can effectively incorporate this goal.
Specific Plan Objective IMP-4: Allow for flexibility with the Specific Plan so that it is responsive to changes in the marketplace	This objective supports the applicant's request to subdivide the is the
D. Pedestrian and Bicycle System. Historically Moffett Park was not developed with sidewalks. Zoning regulation changes in the 1980's and recent trends towards pedestrian friendly and transit supportive design have provided for sidewalks in the vicinity of newer development projects in the Moffett Park area. Pedestrian traffic is heaviest around the light rail transit stations in Moffett Park. The intersections adjacent to each of the project area stations are striped with crosswalks and have pedestrian traffic signals. Existing Sidewalk facilities within the Moffett Park area are shown.	Staff has indicated that installation of sidewalks would be a recommended condition for this project, as it would be for a redevelopment project.
Other supporting and complementary uses, such as light manufacturing, warehousing, convenience-retail, retail, personal services, lodging, and eating establishments are also encouraged.	The proposed project meets this goal; however, this encouragement of support services is contingent on the base level of Class A office spaces being available and in use.
Mixed use development is also encouraged along the transit corridor. Mixed use is an effort to provide desired personal services and convenient commercial establishments for the daytime population of the business park in an efficient land use plan that preserves land development for the primary for targeted industrial uses	The proposed project meets this goal; however, this encouragement of support services is contingent on the base level of Class A office spaces being available and in use
Research and Development. This is primarily an office-type use with limited processing of materials or assembly of products. This category includes facilities for scientific research, investigation, testing or experimentation.	While the proposed project meets the intent of providing tenant space to support Class A office space, the area currently has a dearth

ATTACHMENT F
Page 5 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>Research and Development facilities are permitted in the Moffett Park Specific Plan to provide a mix of business options and to support the Class A office facilities for developing technologies. The use is industrial in nature and is generally compatible with the architectural image of Class A development.</i>	of Class A office space to support. Thus, staff is encouraging the development of Class A office space.
<p>c. Retail and Service Commercial.</p> <p>i. Neighborhood retail and services: <i>The term "local-serving" means that products and services are directed to Moffett Park businesses and their employees for daily consumption. Examples are markets, banks, office supply, cleaners, and personal care. These types of uses are encouraged in close proximity to the light rail stations where employees of Moffett Park businesses can best take advantage of the convenient goods and services offered. These types of uses are typically comprised of individual tenant spaces of 10,000 square feet or less. These types of uses may also be grouped into mixed use development with primary industrial uses</i></p>	While the proposed project may result in "local-serving" products and services, the primary intent of the area is to provide Class A office space, of which there is currently a shortage.
<i>In addition to the new subdistricts, a "floating" development reserve of an additional 5,440,000 square feet can be applied to sites in the MP-TOD and MP-I subdistricts, provided they meet precise criteria within the Specific Plan. A Transfer of Development Rights (TDR) program is also available for parcels within the MP-TOD and MP-I subdistricts, provided they meet precise criteria within the Specific Plan. The Specific Plan has an ultimate total development potential of approximately 24.33 million square feet</i>	Staff has discussed the proposal to offer floating FAR to neighboring sites. However, there is not currently a need for the additional FAR, and the area currently has a surplus of floating FAR.
<i>The MP-TOD subdistrict is intended for the construction, use, and occupancy of buildings for office, corporate headquarters, research, and limited manufacturing; as well as ancillary uses that include hotels, restaurants, financial institutions, retail sales and services, professional services, and similar compatible uses. Accessory uses for the benefit of on site employees (e.g., small childcare facilities,</i>	There is currently an excess of supporting institutions and a shortage of Class A office space.

ATTACHMENT F
Page 06 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>recreational facilities, cafeterias) are also allowed and encouraged. MP-TOD encourages mixed use approach to future development to provide needed support services in the transit core</i>	
D. Development Reserve. <i>The MPSP allows for an additional 5.4 million square feet of development potential within the MP-I and MP-TOD subdistricts of the Specific Plan for site specific intensification up to the maximum FAR level. The highest level of FAR intensity is to be located along the Light Rail Corridor. Intensification is expected to encourage redevelopment of lower intensity uses to the targeted primary uses of the Specific Plan. Specific criteria for accessing the development reserve are found in Section 5.5</i>	The subject site is located approximately two blocks from a light rail stop and is considered to be in the proximity of the Light Rail Corridor.
D. Subdivision for ownership purposes. <i>Subdivision of existing development for ownership purposes, i.e. office condominiums, building pads, shall not be considered a deviation or variance to site development standards of lot size, setbacks, etc. when the extent of the project site's subject area is greater than the minimum lot size of the underlying zone. A variance or special development permit is not required in conjunction with appropriate type of map that is required prior to subdivision of property or air space</i>	Staff does not content that the proposed project is a deviation, rather that is does not meet the intended density level for the subject site.
B. Development Reserve. Intent. <i>The development reserve is intended to encourage and enable development of property with the desired Class A office and related land uses. Having a general pool of square footage available for individual projects promotes the goals of near term full buildout desired for the economic vitality of Moffett Park and the City of Sunnyvale. Furthermore, the development reserve provides a land use entitlement program that can efficiently and effectively respond to market demands for high intensity development and level of use</i>	There is currently a surplus of floating FAR and a lack of adequate Class A office space. Thus, staff is advocating for changes to the site to be limited to the development of Class A office space.
Development Reserve Accountability. Initial	The existing building was

ATTACHMENT F
Page 7 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
Balance. Intense development approved after January 1, 2001 was predicated on the forthcoming Moffett Park Specific Plan	constructed in 1980. Future development is intended to be in compliance with the MPSP.
Definition A transfer of development rights (TDR) means an entitlement to construct additional building square footage above standard FAR allowed on a specific receiver parcel when an equal amount of potential building square footage is transferred by mutual agreement from another specified donor parcel that does not intend to develop to the standard FAR allowed square footage	While a TDR is permissible, it is not needed and staff is advocating for higher density development to meet the need for Class A office space.
Applicability An allocation of square footage may be transferred from one or more parcels (donors) to another parcel (receiver) within the MPTOD and MP-I subdistricts to the extent shown in Table 5-3. The amount of building square footage that may be transferred from a donor parcel shall be calculated using the difference between existing development on site plus approved but not built entitlements and the standard FAR limitation. The maximum amount of building square footage that may be allocated to a receiver parcel shall be calculated using the "Maximum FAR". A receiver parcel may obtain allocations from one or more donor parcels. When development rights are transferred, all such rights are thereafter depleted with regard to the donor parcel.	As above.
Specific Plan Buildout or Phasing. The development and/or redevelopment of the Moffett Park Specific Plan (MPSP) area will be a multi-year effort. The land use development plan and associated infrastructure improvements are envisioned to occur over a 20-year period. Therefore, future development and/or redevelopment in the project area will be responsive to prevailing market conditions, making forecast of the timing and the extent of future conditions challenging	Staff is not supporting removing the current use, nor conditioning the project to currently meet the long term goals of the MPSP. However, staff is attempting to reduce the likelihood that the subject site will not be redeveloped to meet the long term goals of the MPSP.
What we would like to have you consider are the current market conditions in both a published	The referenced supporting document is included in

ATTACHMENT F
Page 8 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>and nonpublished way. We will be supplying historical rental rate information, vacancy rates over the last ten years, as well as our opinion of the project and the need it fills</i>	Attachment E. The MPSP was approved in April 2004 and takes into account current market forces.
<i>The project has been idle for two years due to the lack of interest in the leasing market. There has been three consecutive years of negative net absorption and we now have a slight positive for 2004... one must look at the whole market and draw on some historical perspective to fully appreciate how this project fits with the Business Park. The Moffett Park business park has transformed itself over the last six years from mainly a defense based business to a more diverse technology based park. With Yahoo, Juniper Networks and Network Appliance joining Lockheed Martin Corporation, the tenant roster has improved tremendously. There is a need of people who service these companies and they range in size from mid size companies to small companies... provide vital services to these big companies and want to be close to them. This would be the only project like this in the park where they can own. These people are capable of owning and want to have something to call their own.</i>	The MPSP was approved in April 2004 and takes into account current market forces.
<i>The market will take many years to come back to a speculative development type market. In addition to all the vacancy that exists, there are many empty desks in buildings not on the market that will need to be filled before these companies will expand... These buildings are still in great shape and have many years to live.</i>	The building does appear to currently be in good shape. And if it is subdivided, there is a decreased likelihood that it will be redeveloped within the next 20 years, as targeted by the MPSP.
<i>The concept for the Specific Plan originated under a much different economy. Market conditions included lease rates of \$4.00 - \$5.00 per square foot with a 3% vacancy factor as shown in the enclosed document by Colliers International "Rental Rate Trends". In our review of the Specific Plan we find many areas that call for flexibility in relation to "Changing Market Conditions" that we believe should apply when evaluating the project. Comments we</i>	The MPSP was approved in April 2004 and takes into account the current dip in the economy.

ATTACHMENT FPage 9 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>received from staff to date appear to be holding to a concept of "Utopia" when conditions over the past four years have not supported the concept that the Specific Plan was based on. General Development Inc. is requesting the City of Sunnyvale reevaluate the current market conditions and consider our strategy to strengthen the Moffett Park economy. Our project would help by decreasing the vacancy rate and bring companies back into Moffett Park to help support the local economy. Our plan will not prohibit the sale of the properties in the future, as driving economics conditions have traditionally encouraged property owners in these types of development to sale in opportune markets</i>	
<i>Chapter 1 - "The current inventory of office space indicates a relatively low supply and limited opportunities to develop new Class A office, which are major negative factors for the City's economic future</i>	This statement supports staff's intent to maintain the site "as is" so that it is more likely to be redeveloped in the next 20 years.
<i>Chapter 1 - "The focus on Moffett Park as the primary location of new Class A office development is supported from recent private market pressures</i>	As above.
<i>Chapter 1 - "It is the goal of the City of Sunnyvale to maximize Moffett Park development with corporate headquarters, office, and research/development facilities of high technology companies which will represent the next wave of economic growth in Silicon Valley</i>	As above. The encouragement to eventually redevelop as Class A office space meets this goal.
<i>Chapter 5.4.1 Development Reserve Accountability. - Initial Balance - "Intense development approved after January 1, 2001 was predicted on the forthcoming Moffett Park Specific Plan</i>	Had the project site been developed in the past few years, staff would have targeted the design goals of the MPSP.
<i>Chapter 2.6 - "The land use policies of the Specific Plan are supportive of both the recent development trends in Moffett Park and the long term needs of the City of Sunnyvale. The traditional comprehensive and long-term nature of the land use policies and regulatory framework of the specific plan are designed to</i>	The statement support's staff recommendation not to subdivide the property.

ATTACHMENT F
Page 10 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>be responsive to the needs of the marketplace throughout the 20-year planning horizon. The flexibility integrated into the land use plan is a vital part of encouraging and sustaining a prosperous business climate while balancing Sunnyvale's long term need for high quality development supportive of its community character and resources</i>	
<i>Chapter 2.5-page 2-12-"The Moffett Park Specific Plan should not be considered an inflexible document. Rather, it has been developed to provide as much flexibility as allowed by State law. It should also be noted that this Specific Plan reflects a vision to be implemented over a 20 year period, and therefore, may be amended over time to reflect the City of Sunnyvale's most current vision for the area</i>	The current document allows for some flexibility. This statement is intended for reconsideration of land use over time. However, the MPSP was approved 10 months ago (April 2004).
<i>Planning Factor 4 is questionable: (Page 3-2)"Planning Factor 4: Since 1990, the City of Sunnyvale has received a number of Use Permit applications to increase the Floor Area Ratios (FAR) above the standards allowed under the City's Zoning Code. The significant increase in Use Permit applications reflect the demand for higher intensity Class A office development. Therefore, the City's future land use policy in Moffett Park should strive to better reflect the current development trends within the limits of potential environmental impacts</i>	This statement is made based on both Use Permit applications as well as meetings with potential applicants who have discussed their proposals for redevelopment in the MP area. Not all of those discussions translate into actual applications.
<i>Apx-1- "7.1 Specific Plan Buildout or Phasing - The development and/or redevelopment of the Moffett Park Specific Plan (MPSP) area will be a multi-year effort. The land use development plan and associated infrastructure improvements are envisioned to occur over a 20-year period. Therefore, future development and/or redevelopment in the project area will be responsive to prevailing market conditions, making forecast of the timing and the extent of future conditions challenging</i>	Staff is not requesting immediate redevelopment of the existing site to a higher density, but is working to increase the likelihood of redevelopment over the next 20 years.
<i>Chapter 7.2 - "The regulations, development standards and guidelines as contained in the Specific Plan shall apply in their entirety in the</i>	The intent of this modified review is to allow for modification of an existing

ATTACHMENT F
Page 11 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>review of the new development proposals. In the review of proposals involving the modification of existing development, irregularities and special circumstances can be taken into account through the applicable permit required for use</i>	site that meets the goals of the MPSP. The proposed project is not in line with the proposed goals of the MPSP.
<i>Implementation and administration calls for the following: Specific Plan Objective IMP-4: Allow for flexibility with the Specific Plan so that it is responsive to changes in the marketplace</i>	The current document allows for some flexibility. This statement is intended for reconsideration of land use over time. However, the MPSP was approved 10 months ago (April 2004).
1. <i>The Moffett Park Specific Plan is predicated on large property parcels within the study area. The site analysis and design recommendations of the Specific Plan do not take consideration smaller parcels or include economically viable solutions for a changing market place. The following areas of the Moffett Park Specific Plan reflect this concept: Section 2.3 - "Moffett Park is an exclusively industrial oriented business park with large land parcel sizes and a separation from disparate residential and commercial land use that generally conflict with industrial uses and operations</i>	The existing parcels are 1.7 acres, which is adequate space to construct a high density office building.
<i>Guiding Principal 2.0: Encourage and support emerging industries</i>	Staff's intent is to create an environment that is conducive to large businesses seek to move to or grow within Sunnyvale.
<i>Guiding Principal 3.0: Foster cooperative partnerships with businesses, property owners and the City of Sunnyvale</i>	This City always seeks to work with customers within the requirements of the Municipal Code and the vision of the established goals and policies. The established policy for this area is for an emphasis on high density office space and, as that is accomplished, support ancillary development.

ATTACHMENT F
Page 12 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<i>Guiding Principal 4.0: Provide opportunity for strategic retention and attraction of business and private investment</i>	The Specific Plan seeks to create an environment conducive to attract and retain large. Corporate office type uses. However, there is not yet adequate high density office space.
<i>Section 2.4 Moffett Park – Transit Oriented Development Subdistrict (MP-TOD) - Ancillary uses that include hotels, restaurants, financial institutions, retail sales and services intended for the Moffett Park employees, professionals services, and similar compatible uses are allowed and encouraged</i>	Ancillary uses are encouraged as they support adequate Class A office space. A sufficient amount of Class A office space has not yet been achieved.
<i>Section 5.1 - "The land use plan for Moffett Park envisions the continued redevelopment of existing low intensity development into higher intensity projects within a high quality business park setting. The predominant future land use is expected to be Class-A office space and high technology research and Land Use and Development Regulations development (R&D) facilities. Other supporting and complementary uses, such as light manufacturing, warehousing, convenience-retail, retail, personal services, lodging, and eating establishments are also encouraged</i>	Complementary uses are encouraged as they support adequate Class A office space. A sufficient amount of Class A office space has not yet been achieved.
<i>5-2 - iii. Research and Development. This is primarily an office-type use with limited processing of materials or assembly of products. This category includes facilities for scientific research, investigation, testing or experimentation. Research and Development facilities are permitted in the Moffett Park Specific Plan to provide a mix of business options and to support the Class A office facilities for developing technologies. The use is industrial in nature and is generally compatible with the architectural image of Class A development</i>	While this is generally a true statement, there is currently a shortage of Class A office space in the Moffett Park area. The argument of supporting
<i>The Moffett Park Specific Plan states the intent of the Transferable units is for properties that underutilize there FAR. General Development Inc. believes this was specifically implied to take</i>	The transferable FAR was to allow the density in the Moffett Park area to be maximized. This project

ATTACHMENT F
Page 13 of 13

Issue or Section of MPSP Highlighted by Applicant	Staff Response
<p><i>into consideration changing market conditions and parcel limitations for those properties and conditions that do make it feasible to build under the guidelines of the Specific Plan. Section 5.4 C – “Definition A transfer of development rights (TDR) means an entitlement to construct additional building square footage above standard FAR allowed on a specific receiver parcel when an equal amount of potential building square footage is transferred by mutual agreement from another specified donor parcel that does not intend to develop to the standard FAR allowed square footage</i></p>	<p>proposal does not contribute to that goal.</p>
<p><i>The Specific Plan is structure to encourage Class A Buildings. General Development Inc. believes this is opportunity driven under the perfect market conditions. GDI does not believe the intent was to limit development under weaker market conditions. General Development Inc. has prepared a rough draft proforma to build a Class A three-story office building with a parking garage on the site. This financial analysis indicates rents of \$3.50 per square foot NNN are needed to support this concept along with a strong economy and low vacancy factor. Current lease rates in the area are at eighty cents per square foot. The market conditions are a long way off from supporting the need for new Class A Office buildings</i></p>	<p>Staff is not requesting the site be currently redeveloped; rather, that the potential to redevelop the site in the next 20 years not be undermined by subdividing the property.</p>
<p><i>The Specific Plan calls for supports of Subdivision in Section 5.2D. “Subdivision of existing development for ownership purposes, i.e. office condominiums, building pads, shall not be considered a deviation or variance to site development standards of lot size, setbacks, etc. when the extent of the project site's subject area is greater than the minimum lot size of the underlying zone. A variance or special development permit is not required in conjunction with appropriate type of map that is required prior to subdivision of property or air space</i></p>	<p>While the proposed project is not a deviation, it is not in accordance with the MPSP.</p>